



CHINA - COUNTRY REPORT

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EMPLOYMENT STATUS Individuals working in China will be employed by our local in-country partner. The location of work within China will determine if the services of a 3rd party partner will be required.

PAYROLL Both expatriates and Chinese nationals will be placed on our partner's local payroll. Payroll registration is required for both locals and expatriates. All workers will be required to complete a Recruitment Confirmation Form at the beginning of their contract in order for the registration to go ahead.

The salary for locals has to be paid in China in the local currency (Chinese Yen - CNY also referred to as Renminbi - RMB).

Please note that a salary deposit of 3 months' total salary costs is required for all our employees in China. The employer in China risks severance payments should the employment contract be terminated prematurely and without proper reason.

TAX & SOCIAL SECURITY Each person will be issued with a tax statement at the end of the year. A tax return has to be completed at the end of the fiscal year and it must be filed between April and June following the previous year. A tax clearance certificate at the end of a contract is only required if a consultant wants to send CNY/RMB from his Chinese bank account to an overseas account.

Income tax is levied at 3 - 40% according to income earned. The first 4800 RMB of the salary per month is tax free for expatriates, whereas only the first 3500 CNY/RMB of the salary per month is tax free for locals.

Social security is not applicable to expatriates. For local workers, the rates vary, depending on the city. Currently they stand at approximately 32.9% for the employer and 10.5% for the employee (maximum CNY/RMB 6,088 - 7513 per month in 2017).

IMMIGRATION All expatriates will need to apply for the business visa commonly referred to as the Z-visa. There are other business visa types available but they are not suitable for the purpose of work. The Z-visa specifically allows an individual to enter China for the purpose of work and is applied for at the Chinese Embassy/ Consulate of the individual's home country/country of residence beforehand. Upon entry into the country, our local partner will assist with all the procedures required for applying for a residence permit. Once a residence permit has been issued, the individual may officially start work in China.

Within 10 days of arriving in China the individual must register with the local Public Security Bureau (PSB). A member of staff from our partner's company will accompany the applicant at all times and advise on the procedures required for applying for the residence permit. This includes a medical check at a local government hospital. (Our partner will advise which hospital and the required examination fee). The whole procedure takes approximately 5 days after which the applicant will obtain his/her residence permit. This is attached to the applicant's passport and will allow him/her to work and enter/leave China an unlimited number of times for 12 months.

When a person first enters China, they will only ever be issued with a residence permit for 1 year irrespective of a work permit being granted for a longer period of time (i.e. 3 years). The residence permit will need to be renewed each year.

ABOUT CHINA Capital: Beijing
Dialing code: +86
Population: 1.357 Billion
Currency: Remnminbi RMB/Chinese Yen CYN
Continent: Asia

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